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February 4, 2010

VIA OVERNIGHT DELIVERY

Arizona Corporation Commission
Utilities Division
1200 West Washington
Phoenix, AZ 85007-2996

Re: Petition of TracFone Wireless Inc. for Designation as an Eligible
Telecommunications Carrier, Docket No. T-20664A-09-0148

Dear Madam/Sir:

Enclosed please find an original and 13 copies of TracFone Wireless, Inc.'s Response to Motion to Intervene of the Arizona Local Exchange Carrier Association. An additional copy is included to be date-stamped and returned in the enclosed envelope. Please contact me if you have any questions about this submission.

Sincerely,

Debra McGuire Mercer

Counsel for TracFone Wireless, Inc.

Enclosures

Arizona Corporation Commission
DOCKETED

FEB - 8 2010

DOCKETED BY	
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RECEIVED
2010 FEB - 8 1 P 2:30
AZ CORP COMMISSION
DOCKET CONTROL

Before the
ARIZONA CORPORATION COMMISSION

RECEIVED

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In the Matter of

Petition of TracFone Wireless, Inc.
for Designation as an Eligible Telecommunications
Carrier in the State of Arizona for the Limited
Purpose of Offering Lifeline Service to Qualified
Households

AZ CORP COMMISSION
DOCKET CONTROL

Docket No. T-20664A-09-0148

**TRACFONE WIRELESS, INC.'S RESPONSE TO MOTION TO INTERVENE
OF THE ARIZONA LOCAL EXCHANGE CARRIERS ASSOCIATION**

TracFone Wireless, Inc. ("TracFone"), by its undersigned counsel, hereby responds to the Motion to Intervene of the Arizona Local Exchange Carrier Association ("ALECA"). TracFone does not oppose ALECA's motion. However, several assertions contained in ALECA's motion warrant response.

ALECA states in its motion that it is concerned that TracFone's Safelink Wireless® offering may duplicate similar offerings of its member companies and cause the federal Universal Service Fund ("FUSF") to grow to the point that its members' FUSF compensation is endangered. TracFone's SafeLink Wireless® Lifeline service is not similar to the Lifeline offerings of ALECA's member companies nor will it duplicate the LECs' Lifeline offerings. ALECA's member companies offer a landline Lifeline service. Indeed, SafeLink Wireless® service differs from the Lifeline offerings ALECA companies and other incumbent wireline local exchange carriers in several critical respects.

Unlike the Lifeline offerings of the Arizona LECs represented by ALECA, TracFone's Lifeline service is wireless and is provided at no charge to its Lifeline customers. In addition, unlike ILEC Lifeline services, TracFone will provide its SafeLink Wireless® Lifeline customers

with free E911-compliant handsets. Moreover, TracFone's Lifeline service offers Lifeline eligible customers local calling areas that are larger than the LECs' local calling areas, includes toll calling, provides the convenience and security afforded by mobile telephone service, and provides the opportunity for customers to control their costs by purchasing in advance only the volumes of service which they need after exhausting their monthly supply of free service. In contrast to the Lifeline offerings of ALECA member companies, SafeLink Wireless® involves no customer bills, and there is no risk of service disruption for failure to pay billed charges for services and service features (e.g., toll calling, caller ID, call waiting, voice mail) which are not covered by those companies' Lifeline programs.¹

TracFone further clarifies that it is only seeking Tier 1, Tier 2, and Tier 3 Lifeline support from the FUSF. Pursuant to a Federal Communications Commission ("FCC") order TracFone is not allowed to receive Tier Four support from the FUSF. Thus, it will not be eligible to receive the additional \$25.00 per customer per month in FUSF support to provide Lifeline service to residents of tribal communities. Several of the ALECA member companies are tribally-owned telephone companies that are eligible to receive Tier Four support. Given that TracFone will not be seeking Tier Four support, ALECA's concern that its member companies' FUSF support would be endangered by TracFone's designation as an eligible telecommunications carrier is unfounded with respect to the tribally-owned ALECA members.

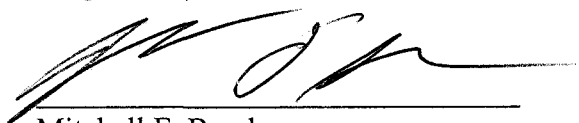
Moreover, ALECA's general concern that all of its member companies' FUSF compensation would be endangered because TracFone's Lifeline service would cause the FUSF requirements to grow is unsupported. As noted by the FCC in granting TracFone forbearance from the facilities-based requirement for ETCs, "[a]ny increase in the size of the fund [associated

¹ TracFone explains these differences not to disparage or criticize the ALECA member companies' Lifeline plans, but only to refute ALECA's assertion that SafeLink Wireless® will "duplicate" their Lifeline offerings.

with granting TracFone's ETC application] would be minimal and would be outweighed by the benefit of increasing eligible participation in the Lifeline program, furthering the statutory goal of providing access to low-income consumers."²

While TracFone does not oppose ALECA's motion to intervene and welcomes its participation in this proceeding, it is constrained to note that its Lifeline service will not duplicate those of ILECs, including ALECA member companies, and that its provision of Lifeline service as a designated Lifeline-only ETC will not endanger any ALECA member company's availability of FUSF support.

Respectfully submitted,



Mitchell F. Brecher
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February 4, 2010

² See Federal-State Joint Board on Universal Service, Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, Order, 20 FCC Rcd 15095, 15098, ¶ 17 (2005).

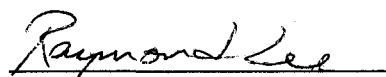
CERTIFICATE OF SERVICE

This is to certify that I have duly served TracFone Wireless, Inc.'s Response to Motion to Intervene of the Arizona Local Exchange Carrier Association electronically and by U.S. Mail on all parties listed, this 4th day of February, 2010, addressed as follows:

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